



United Nations Global Compact

Communication
On
Progress – 2012

Waterlink Pakistan (Pvt.) Ltd.

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CEO's Message

We at Waterlink have a simple philosophy that success is a product of competitive price through a high standard of care and attention to the details of our customer's requirements. From a small beginning, we have grown to a significant force amongst independent shipping and freight forwarding companies.

Our mission is to escalate shipping business of Pakistan at least at par with other countries of the region, even go farther up to Europe & U.S.A and get lined up with them competitively. Pakistan strings with under developed countries. To make ours prosperous and developed one, everyone should play his due role. To whatever business one belongs to, he must treat himself member of a team, rather a crowd, where goal of all is mutual i.e. to achieve utmost payback sincerely for self and for the country.

Since its inception in the year 2003, Waterlink has been doing business with strong consideration of the impact of its actions on the following generations. Taking responsibility for our employees, the society and the environment we live and work in have therefore been our core corporate values during the past decade and in the years to follow. By joining the United Nations Global Compact (UNGC) we emphasize our deliberate and public commitment to following and supporting the ten UNGC principles, which focus on human rights, labor standards, environmental protection and anti-corruption, and which are to be embodied in our management strategy, culture and daily operations. For us at Waterlink, preserving internationally recognized human rights and



creating socially acceptable working conditions therefore goes without saying. We care about people and respect and value the diversity of our staff members in all its forms. We consider it our task and obligation to be a responsible employer and to offer our employees attractive working conditions. Being a shipping and logistics service provider, protecting the environment in all our business activities is one of our central goals and values. We are well aware that reducing our global carbon footprint is one of our most important challenges. For years now, we have pioneered in innovative and climate friendly transport solutions. Our initiatives regarding environmental protection have increasingly included responsible waste, energy and water management. Also, we choose to be an active player in the global anti-corruption movement and take all necessary measures to promote responsible, transparent and sustainable business practices. We have successfully established and integrated UNGC principles in our Human Resources Policy that shall allow our employees to freely get in touch with all

matters of vital concern related to integrity, compliance and transparency, and thereby help our company to thrive by lowering its risks and further improving the quality of our processes and outcomes. Our public commitment to the ten principles of the UNGC underlines the way we have been thinking and doing business for years. We are proud to be a member of the UNGC, and we believe that shaping our business with a focus on fairness, sustainability and transparency will result in an increasingly important competitive advantage. We will keep you updated on the developments at Waterlink in our yearly Communication on Progress (COP)... stay tuned!

Your sincerely,

CAPTAIN GHULAM MUSTAFA
Chief Executive Officer
Waterlink Pakistan (Pvt.) Ltd.

TO ACHIEVE UTMOST PAYBACK SINCERELY FOR SELF AND FOR THE COUNTRY

Founded in 2000, our company started with a small workforce of seven employees with Capt. Ghulam Mustafa chairing the startup and directing the organization to its present status. Today we operate a strong and diverse workforce of 500+ nationwide and internationally and while remembering our humble beginnings: we continue to value every customer and understand that each project requires a unique solution. This powerful combination of an individual approach within an international framework ensures that we deliver top-quality customized logistics solutions, every time.

We constantly strive to develop better, more efficient ways to do business, whether it is by implementing cutting-edge technology, increasing the number of services we provide, or expanding our network of branches and warehouses.

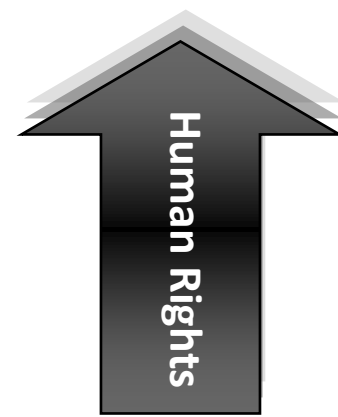


FACTS AND FIGURES 2012	
Waterlink Work force;	500 +
Annual Turnover;	US \$ 5 Million
Presence;	Nationwide and International
Network;	Pakistan, USA, UAE and Afghanistan.

This dynamic mind-set is continuously motivated by our motto “to achieve utmost payback sincerely for self and for the country” and demonstrates a tradition of innovation which is intrinsic to every part of Waterlink.

Our adaptability has been and continues to be possible because of the quality of our people. We actively seek to hire capable and committed employees, and to create a working environment in which they can fully realize their potential while delivering results which guarantee our success and your satisfaction.

Waterlink’s transition from a small-scale setup to one of Pakistan’s leading logistics service provider is a result of all these factors. They are the cornerstones of our business and are the reason for past achievements, the foundation for future success and the values which make Waterlink the right choice for you today.



**PRINCIPLE 1:
SUPPORT AND RESPECT THE PROTECTION OF INTERNATIONALLY PROCLAIMED HUMAN RIGHTS; AND**

THEREFORE WE COMMIT OURSELVES

To ensure that all processes are inside each country's principles and legislations. "It is our company's policy to act with integrity and fairness and treat all employees and persons with dignity, decency and respect by providing a healthy, safe and secure work environment." (Excerpt from Waterlink Employee Handbook, 2012)

HOW WE IMPLEMENT OUR COMMITMENT

ACTIONS

- Integrating UNGC principles in Waterlink Employee Handbook (distributed to all employees at nationwide branches and international offices in Afghanistan, UAE, USA and Canada)

WHAT WE PLAN FOR 2014

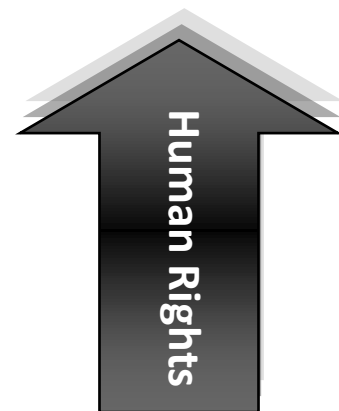
ACTIONS

Participating in at least one human rights-related event

- Training of all employees globally on the UNGC and its 10 principles via Learning Management System
- Liaising with at least one UNGC-member in order to share best practice
- Participating in an initiative in which the management supports local communities by taking care of those in need of help

KEY PERFORMANCE INDICATORS (KPIs)

- Number of events in which Waterlink Pakistan participated
- Number of trained employees on the topic of UNGC
- Number of managers who participated in this initiative



**PRINCIPLE 2:
MAKE SURE THAT THEY ARE NOT COMPLICIT IN HUMAN RIGHTS ABUSES**

THEREFORE WE COMMIT OURSELVES

To guarantee that human rights in the internal work environment are respected. “Waterlink views active violations, as well as passive violations of human rights to be intolerable and a violation of this Code of Conduct that may lead to the appropriate disciplinary actions.” (Excerpt from Waterlink Employee Handbook, 2012)

HOW WE IMPLEMENT OUR COMMITMENT

ACTIONS

- Integrating UNGC principles in Waterlink’s Code of Conduct, Employee Handbook (distributed to all employees at nationwide branches and international offices in Afghanistan, UAE, USA and Canada), HSE trainings throughout its nationwide branches and international offices (in order to avoid accidents at work and to ensure safe workplaces)

KEY PERFORMANCE INDICATORS (KPIs)

- Number of Health and Safety Trainings

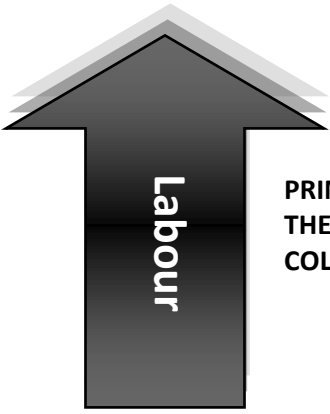
WHAT WE PLAN FOR 2014

ACTIONS

- To conduct a comprehensive employee opinion survey
- To analyze Health and Safety-Audits
- To review roles and responsibilities of Health & Safety-Officers / persons in charge

KEY PERFORMANCE INDICATORS (KPIs)

- Overall response rate
- Level of satisfaction and commitment of the employees concerning work environment
- Number of Health and Safety-Audits
- Measurements based on audit results
- Number of Health and Safety-Officers / persons in charge



**PRINCIPLE 3:
THE FREEDOM OF ASSOCIATION AND THE EFFECTIVE RECOGNITION OF THE RIGHT TO
COLLECTIVE BARGAINING**

THEREFORE WE COMMIT OURSELVES

To ensure not only that employees have a right to collective bargaining (in accordance with all rules, laws and regulations), but also that Waterlink cooperates and communicates regularly with local labor boards, work councils, and associations.”

This open dialogue ensures continuous awareness of employees’ expectations.
(Excerpt from Waterlink Employee Handbook, 2012)

HOW WE IMPLEMENT OUR COMMITMENT

ACTIONS

- Developing code Collective Bargaining in Pakistan

KEY PERFORMANCE INDICATORS (KPIs)

- Number of collective agreements with employee organizations / representatives
- Number of branches with a works council, operational union representatives or employee representatives

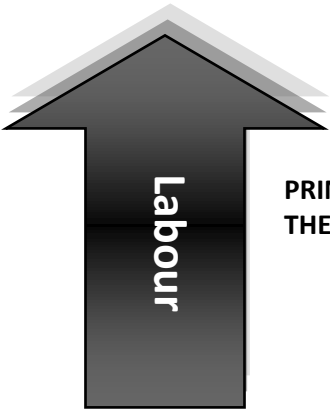
WHAT WE PLAN FOR 2014

ACTIONS

- To establish constant dialogue with unions etc., who represent the rights of the employees
- To train all our employees on the UNGC and its ten principles via Learning Management System

KEY PERFORMANCE INDICATORS (KPIs)

- Existence of a list of employees organizations / unions with which Waterlink Pakistan Pvt. Ltd. cooperates (number and names)
- Number of the official meetings with employee organizations / unions who represent rights of the employees
- Number of trained employees on the topic of UNGC



**PRINCIPLE 4:
THE ELIMINATION OF ALL FORMS OF FORCED AND COMPULSORY LABOUR**

THEREFORE WE COMMIT OURSELVES

To prohibit any form of forced or compulsory labor, or child labor (not only in our facilities, but also those of our service providers.

We assess labor related, environmental and safety risks and will continue to refine our labor policies that clearly state employee rights and responsibilities.
(Excerpt from Waterlink Employee Handbook, 2012)

HOW WE IMPLEMENT OUR COMMITMENT

ACTIONS

- Prohibiting and abolishing forced or compulsory labor

KEY PERFORMANCE INDICATORS (KPIs)

- Prohibition of forced or compulsory labor in relevant documents (Waterlink Compliance Manual 2012)

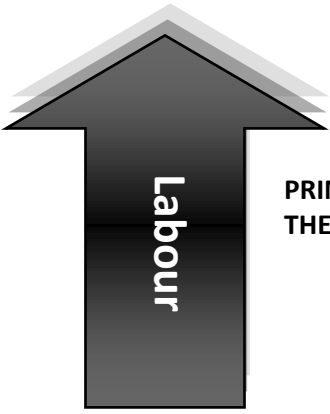
WHAT WE PLAN FOR 2014

ACTIONS

- Stocktaking of written work contracts, employment policies, employment confirmation letters and the integration of the prohibition of forced or compulsory labor
- Establishing nationwide and international reporting about the above-mentioned

KEY PERFORMANCE INDICATORS (KPIs)

- Number of employees without written confirmation of employment conditions (either in employment contracts or employment policies or employment confirmation letters)



**PRINCIPLE 5:
THE EFFECTIVE ABOLITION OF CHILD LABOUR; AND**

THEREFORE WE COMMIT OURSELVES

To not support, encourage or endorse any form of child labor throughout all branches and international offices. "It is our policy to employ only those individuals with a minimum age of twenty (20), despite the International Labor Organization's (ILO) minimum age of fourteen (14)."
(Excerpt from Waterlink Compliance Manual 2012)

HOW WE IMPLEMENT OUR COMMITMENT

ACTIONS

- To prohibit and abolish child labor at the local and international level

KEY PERFORMANCE INDICATORS (KPIS)

- Prohibition of child labor in relevant documents (Waterlink Compliance Manual etc.)
- Promoting social welfare by engaging in monitoring the prevalent practice of child labor and taking necessary precautions in preventing the same.
- Established an NGO in the name of Muskaan Welfare Trust which focuses on protecting child labor rights and by creating an education-friendly environment and knowledge which is the basic requirement instead of indulging them in forced child labor.

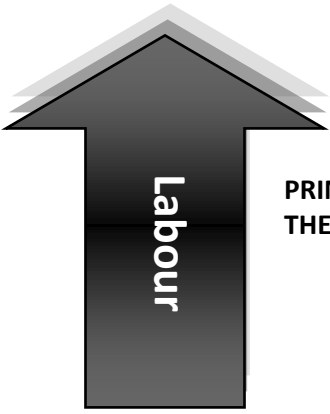
WHAT WE PLAN FOR 2014

ACTIONS

- To analyze the prohibition of child labor in all employment policies and employment standard contracts
- To review employment policies / standard contracts in all countries with ILO conventions

KEY PERFORMANCE INDICATORS (KPIs)

- Finalized document with reference to the ILO conventions in employment contracts or policies



**PRINCIPLE 6:
THE ELIMINATION OF DISCRIMINATION IN EMPLOYMENT AND OCCUPATION**

THEREFORE WE COMMIT OURSELVES

To not only preserve mutual respect between employees, but also value the differences and diversities that each individual owns. “Waterlink does not discriminate nor does it tolerate any discrimination (or any other form of unfair treatment) in employment opportunities or practices on the basis of race, ancestry, color, religion, gender, sexual orientation, marital status, national origin, age, disability, citizenship, veteran status, military service obligation, or any other characteristics”. (Excerpt from Waterlink Employee Handbook, 2012)

HOW WE IMPLEMENT OUR COMMITMENT

ACTIONS

- Compliance with Pakistani anti-discrimination law
- Existence of a Performance-Management-Program, which covers performance-oriented remuneration and career opportunities throughout our nationwide branches and international offices.

KEY PERFORMANCE INDICATORS (KPIs)

- Number of edited and finished complaints from employees concerning job discrimination
- Reporting of all violations of the Waterlink Code of Conduct
- Number of performance appraisals conducted and agreed personal development plans (PDP)

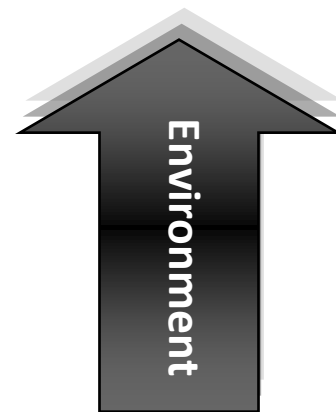
WHAT WE PLAN FOR 2014

ACTIONS

- Respecting differences of employees through the development of a Diversity-Management-Program in
- Pakistan.
- Rollout of a Performance-Management-Program, which covers performance-oriented remuneration and career opportunities in all major countries

KEY PERFORMANCE INDICATORS (KPIs)

- Number of female/male employees
- Number of employees with foreign nationalities
- Number of employees with disabilities
- Number of women, employees with foreign nationalities and employees with disabilities in key positions
- Number of performance appraisals conducted and agreed performance development plans (PDP))



**PRINCIPLE 7:
SUPPORT A PRECAUTIONARY APPROACH TO ENVIRONMENTAL CHALLENGES**

THEREFORE WE COMMIT OURSELVES

To building a proud and lasting legacy for future generations. We see environmental sustainability as an extension of this ideal and believe that environmental responsibility is not so much a choice, but a necessity. We continue to strive for increasingly environmentally-friendly practices across the Waterlink network so that we can provide for the generations to come and do our part to ensure that there are sufficient resources to safeguard their health, prosperity and quality of life.

In 2012, Waterlink established a no-smoking policy in order to foster a smoke –free and healthy workplace eliminating all possible hazards caused due to inhalation of smoke (active and passive smoking). Environmental audits shall help us to maintain a desired standard for preventing accidents, which may harm people and the environment.
(Excerpt from Waterlink Employee Handbook, 2012)

HOW WE IMPLEMENT OUR COMMITMENT

ACTIONS

- Applying an Environmental Protection Policy
- Conducting Environmental Management System Audits

KEY PERFORMANCE INDICATORS (KPIs)

- At least one annual audit in each branch and international office of Waterlink

WHAT WE PLAN FOR 2014

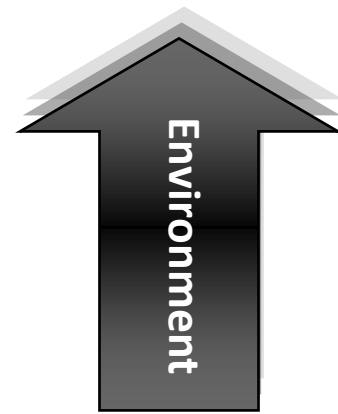
ACTIONS

- Active communication of Environmental Policy as part of a new training program
- Establishment of a comprehensive emission report (including all business units)

KEY PERFORMANCE INDICATORS (KPIs)

- Number of completed environmental trainings at Waterlink

**PRINCIPLE 8:
UNDERTAKE INITIATIVES TO PROMOTE ENVIRONMENTAL RESPONSIBILITY; AND**



THEREFORE WE COMMIT OURSELVES

To altering attitudes about how we use our planet's natural resources and then showing determination and imagination in implementing the necessary changes in our business practices. For a company such as Waterlink Pakistan, the development of economic interests is inherently connected to our responsibility for the environment,

Certified management systems shall ensure responsibility on all levels of our activities. The Environmental Management System (EMS) outlines the legal requirements, which are seen as minimum standard. The systems are established as integrated management systems with a global approach, keeping in mind the local needs, cultures and expectations. Our employees are integrated into the EMS and its activities by comprehensive training and regular communication with different internal and external media.

HOW WE IMPLEMENT OUR COMMITMENT

ACTIONS

- Environmental Trainings

KEY PERFORMANCE INDICATORS (KPIS)

- E-Learning in development
- Number of completed environmental trainings in the Waterlink Learning Experience

WHAT WE PLAN FOR 2013

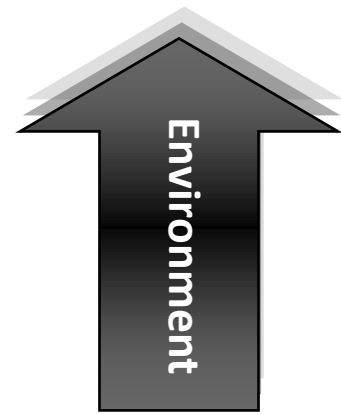
ACTIONS

- Environmental Trainings

KEY PERFORMANCE INDICATORS (KPIs)

- To obtain and implement ISO : 14001 certification throughout Waterlink's offices around the globe.

**PRINCIPLE 9:
ENCOURAGE THE DEVELOPMENT AND DIFFUSION OF ENVIRONMENTALLY FRIENDLY
TECHNOLOGIES**



THEREFORE WE COMMIT OURSELVES

For changing business practice to a more environmental friendly basis.

This might seem impossible to accomplish without compromising on quality of service but we are fortunate that our company prides itself on finding creative new solutions to combat potential problems. Today, we harness our tradition of innovation to maintain and enhance our excellent range of products and services while actively seeking ever-better ways to improve our environmental legacy.

Carbon emissions are the most significant environmental aspect for logistics companies. Therefore, it is our goal to minimize the output of carbon emissions by using alternative fuel and transport concepts.

HOW WE IMPLEMENT OUR COMMITMENT

ACTION

- Test of transport vehicles being used in Pakistan for customers' transportation needs.
- Achieving minimum fuel consumption with each units of distance covered.

KEY PERFORMANCE INDICATORS (KPIs)

- Using fuel efficient trucks and vehicles in order to minimize fuel consumption and maximize distance covered

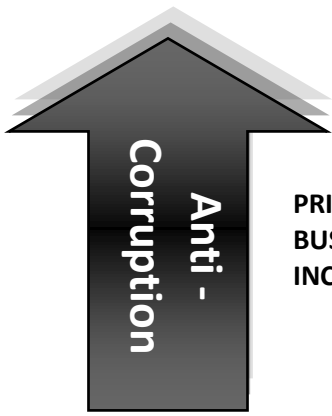
WHAT WE PLAN FOR 2014

ACTIONS

- Acquisition of fuel efficient trucks

KEY PERFORMANCE INDICATORS (KPIs)

- Number of warehouses equipped with LED-lighting systems



**PRINCIPLE 10:
BUSINESSES SHOULD WORK AGAINST CORRUPTION IN ALL ITS FORMS,
INCLUDING EXTORTION AND BRIBERY**

THEREFORE WE COMMIT OURSELVES

As a business entity that values integrity and transparency as important cornerstones of our relationship between our subsidiaries, affiliates, partners, vendors, customers, subcontractors and employees. This commitment has been clearly stated by the owners and published in Waterlink Employee Handbook 2012.

We strive to prevent bribery and corruption by:

- Creating awareness with Waterlink Personnel
- Following company policies related to giving and receiving gifts and entertainment
- Never offering, promising or giving anything of material value to a government official or to anyone else, in order to gain an unfair business advantage
- Not offering or accepting bribes of any kind
- Not using a third party to make improper payments that we cannot make ourselves
- Recording all payments and receipts completely and accurately

The Waterlink Code of Conduct as well as Pakistan’s anti-corruption guideline prohibits Waterlink from using fraud or accepting or offering bribes or kickbacks as a means to conduct business or to influence or compromise either our conduct or the recipient’s. Any Waterlink personnel receiving, accepting, facilitating, offering or condoning a bribe, kickback, or other unlawful payment, or attempting to initiate these types of activities will be subject to the appropriate disciplinary actions

HOW WE IMPLEMENT OUR COMMITMENT

ACTIONS

- Rollout of Waterlink Code of Conduct
- Employee live and online training on Antitrust and Anti-Corruption
- Internal Audit Function integrated as part of the global compliance team

KEY PERFORMANCE INDICATORS (KPIs)

- % of employees confirming Anti-trust and Anti-Corruption manual
- Rollout of Waterlink Code of Conduct